



Boise | Coeur d'Alene | Pocatello

# **PERS***pectives* FOR RETIREES

Public Employee Retirement System of Idaho

Fourth Quarter 2022

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## IRS CHANGES THAT WILL IMPACT YOU

The IRS has changed Form W-4P Withholding Certificate for Periodic Pension or Annuity Payments. As with other pension plans, PERSI is now mandated to use this form. Due to this, federal tax changes processed after January 1, 2023, must be made on a 2022 W-4P.

The revised W-4P is significantly different from previous versions and is designed to calculate a more accurate tax withholding. The major changes with Form W-4P are below:

- Offers the following marital status options:
  - o Single or Married filing separately
  - o Married filing jointly or Qualifying Widow(er)
  - o Head of Household;
- Captures income from multiple jobs, pensions, and annuities;
- Allows for the claiming of dependent and other credits; and
- Changes the default withholding to Single (previously was Married with three (3) allowances)

If you are currently having your federal tax withholding calculated using the tax tables, PERSI will “bridge” your withholding amount using a formula provided by the IRS. If you wish to submit a new withholding form, a link is available on the PERSI website ([www.persi.idaho.gov](http://www.persi.idaho.gov)).



You can also download a copy from the IRS website (<https://www.irs.gov/pub/irs-pdf/fw4p.pdf>).

Additionally, beginning December 1, 2022, you will be able to make the change online through the *myPERSI* member portal.

If you live in Idaho and wish to have state tax withheld, you will need to submit a separate Form RS322, State of Idaho Tax Withholding.

**NOTE:** The former PERSI Federal and Idaho Tax Withholding form will no longer be accepted for changes after December 31, 2022.

If you have questions, please call the PERSI Answer Center 1-800-451-8228 or (208) 334-3365.



## FISCAL YEAR 2022 UPDATE

Fiscal year 2022 (ended on June 30, 2022) was very busy for PERSI. The system added a new employee class, introduced a new Chief Investment Officer, experienced market volatility, and the Board proposed future contribution rates.

### NEW CLASS – SCHOOL DISTRICT EMPLOYEES

During fiscal year 2022, a new class was added to the PERSI system – school district employees. Who is considered a school district employee? Any employee of any school district or charter school employed as instructional staff, pupil service staff, professionally endorsed staff, staff holding a certificate as determined under I.C. 33-1201, school bus drivers, and school resource officers, subject to the provisions of I.C. 59-1302(14).

### RETURN TO WORK FOR ALL RETIREES

PERSI members who retired prior to January 1, 2022, may return to work full time with a PERSI employer without impacting their benefit. A retiree returning to work will not accrue additional retirement benefits.

Please be aware that there is a sunset provision concerning a retired member as defined in I.C. 59-1302(27), including the subsection that shall no longer be effective after June 30, 2026. However, other provisions of this section shall remain effective and applicable to all employment.

### NEW CHIEF INVESTMENT OFFICER

The PERSI Retirement Board selected Richelle Sugiyama to serve as Chief Investment Officer (CIO), as of October 2022. Ms. Sugiyama will be responsible for directing all aspects of the retirement system's \$21-billion investment program. She replaces Robert Maynard, who had directed PERSI's investment portfolio since 1992 and retired in September 2022.

### MARKET VOLATILITY IMPACTING THE FUND

National and global volatility continues to impact the markets and economy. The fund experienced market volatility throughout the fiscal year, ending with a funding ratio of 82.6% and an amortization period over one hundred (100) years. The investment return for the fiscal year was a negative -9.66%, net of all expenses.

### CONTRIBUTION RATES – FAIRNESS ADJUSTMENT AND PROPOSED

The Board chose to adjust contribution rates for public safety and general members, and create a new contribution rate for the new school employee class. The new rates ensure fairness for all members and will be considerate of budget cycles. The new rates become effective July 1, 2023.

As mentioned earlier, the amortization period was over one hundred years. Due to the period exceeding twenty-five (25) years or more, per I.C. 59-1322(5), the Board proposed contribution rate increases. The increases will be phased in over a three (3) year period beginning FY2025 (July 1, 2024). The Board will review each year if the increases are still necessary.

Contribution rates and proposed contribution rates are posted on PERSI's website, [www.persi.idaho.gov](http://www.persi.idaho.gov).

### COST-OF-LIVING ADJUSTMENT

The legislatively mandated one percent (1%) cost-of-living adjustment (COLA) will go into effect on March 1, 2023. Retirees in the first year of retirement will receive a proration of the 1% COLA based on the number of months they have been retired.

The PERSI Retirement Board has completed a comprehensive outline concerning funding guidelines for the PERSI Plan. The Board's primary priority is to protect the fund, maintain long-term sustainability, and adhere to Idaho Statute. While the fund remains sustainable, the Board must consistently take steps to maintain long-term sustainability.

PERSI has received questions and concerns regarding the recent announcement of a legislatively mandated one percent (1%) COLA. Executive Director, Don Drum, has been working with PERSI's actuaries and will present their findings concerning the COLA in a webinar. He will also address the questions and concerns PERSI has received. The webinar will be posted to PERSI's website for viewing in early January.

To learn more about PERSI's Funding Guidelines, please click here:

<https://www.persi.idaho.gov/docs/news/publications/2022-Funding-Guidelines.pdf>

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## OVERALL

PERSI has very knowledgeable experts monitoring the fund. The Board is dedicated to protecting the fund and the benefit it provides members. While modest changes need to be made from time to time, we feel we are moving in the right direction for a sound future.

## PERSI'S NEW COMMUNICATIONS SERVICE — GOVDELIVERY™

*by Larry Sweat, PERSI IT Manager*

PERSI has engaged a new service for enhancing communications with members and other interested parties. The service, called **govDelivery™**, gives anyone the ability to sign up for email communications from PERSI. A subscription page on the PERSI website lets people pick the message types they want (such as newsletters) and nix categories they don't. The aim is to deliver information that people want as soon as it is available and avoid bugging people with messages that are not useful.

We chose govDelivery™, because it specializes in helping government clients connect with citizens. It does not buy, sell or misuse captured email addresses or data and is a FedRAMP-certified, secure, cloud technology for government. It enables PERSI to easily dispatch quick bulletins to people who want to receive them and to do a better job of managing periodic communications like newsletters. More than 5,500 government entities use govDelivery™ including several other Idaho government agencies.

We encourage anyone who wants to be more connected with PERSI to sign up for the bulletins or newsletters that interest them. Go to the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov) and look for the "Sign Up Here" link. Click the link and follow the instructions.

PERSI is serious about protecting members' confidential information. While electronic communication is fast and efficient, we must be careful with sensitive information. We won't send sensitive information through a non-secure channel such as regular email. We have a secure email option for that.

We encourage you to take steps to strengthen the

security of your PERSI information. The best thing you can do, if you haven't already, is register for a *myPERSI* account. It does these important things:

- Prevents a bad actor from using your social security number (SSN) to compromise your account. If your SSN and other personal information is exposed in a data breach, such as the Equifax breach, and you haven't created your *myPERSI* account, a bad actor can use your credentials to register for your *myPERSI* account and access your and your beneficiaries' information.
- Provides a secure channel for you to upload sensitive documents such as a Beneficiary form. It's easy to log into *myPERSI*, click '**Upload**' and attach your documents. There's no reason to put your and your beneficiaries' information at risk by sending it through a non-secure channel.
- Gives you access to your balances, annual statements, and other account information anytime and anywhere you have internet access.
- Lets you easily update your email address, beneficiaries, and other information, create benefit estimates for various retirement options or dates, and make use of other online services offered.

We hope you will try the govDelivery™ subscription service and make use of the *myPERSI* online portal. These applications provide easy and secure access to the information and tools you need to get the most good from your PERSI benefits.

We encourage members to go to PERSI's website at [www.persi.idaho.gov](http://www.persi.idaho.gov) and sign up to receive PERSI communications through the govDelivery™ subscription service.







P.O. Box 83720  
Boise, ID 83720-0078

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## VOLUNTEER AS A TOUR GUIDE AT THE IDAHO STATE CAPITOL!

Are you looking for volunteer opportunities, while still being of service to the State of Idaho?

The Idaho State Capitol Tour Program is looking for volunteer tour guides. We have flexible schedules (you choose which tours work for your schedule), hands on shadowing opportunities for training, as well as getting to see the excitement of visitors from 3rd grade through 100 years old and from all 50 states and international visitors also!

Contact [capitol tours@iso.idaho.gov](mailto:capitol tours@iso.idaho.gov) or call 208-332-1012 with questions.

<https://legislature.idaho.gov/capitol/tours/>

## UPCOMING HOLIDAYS

PERSI will be closed in observance of the following holidays:

- Monday, January 16 – MLK Day
- Monday, February 2 – Presidents' Day

If you have questions, call the PERSI Answer Center at 1-800-451-8228 or 208-334-3365.

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## RETIREMENT BOARD OF DIRECTORS

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[www.persi.idaho.gov](http://www.persi.idaho.gov)

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